

Introduction

The Transportation Equity Act for the 21st Century (TEA-21) / Federal Transit Act 49 USC 5300 requires that FTA approve the advancement of all projects pursuing discretionary Section 5309 New Starts funding into the preliminary engineering (PE) and final design stages of project development. Specifically, 49 USC 5309 (e)(6) requires that the basis for PE/final design approval is the Federal Transit Administration's (FTA) evaluation of a candidate project's performance against the New Starts criteria, leading to an overall project rating of "Highly Recommended," "Recommended," or "Not Recommended." In September 1999, FTA issued *Guidance on Requests for New Starts Projects to Enter Preliminary Engineering and Final Design* to address these requirements, and to define the milestones for determining when and how proposed transit capital investments shall be considered for advancement through the project development process.

In December 2000, FTA issued its *Final Rule on Major Capital Investment Projects (49 CFR Part 611)*, as required by 49 USC 5309(e)(5). The rule established the procedures that FTA shall use to evaluate candidate New Starts projects. Like the September 1999 Guidance, the final rule outlined – but did not substantively address – the critical role that the planning and project development process plays in the shaping of transit capital investments. In fact, it is this very process, undertaken at the local level to support local decisionmaking, which provides the forum for developing not just "competitive" New Starts projects, but projects which best meet local goals and objectives for improved mobility, cleaner air, community development, and quality of life.

FTA's *FY 2003 Strategic Business Plan* identifies a "commitment to delivering the highest value for America's investment" in public transportation as one of the agency's core values. To that end, it is FTA's intent not to simply "insert" itself in the project development process at the point of approving a project's entrance into preliminary engineering or final design, but to add value throughout the process by providing responsive technical assistance and improved tools to help local stakeholders generate the information necessary to support effective local decisionmaking. Consequently, key themes of this guidance include the importance of objective and defensible transportation planning and subsequent project development efforts to facilitate local decisionmaking and ongoing environmental, engineering, and design management, and FTA's early and ongoing partnership with local agencies and stakeholders to assist in this process. It must be emphasized that the intent of this guidance is not to provide detailed technical direction on corridor planning and project development, but to simply emphasize the key planning and project management principles that should guide the development of major capital transportation investments. All available (or soon-to-be issued) FTA technical guidance and resources relating to corridor planning and project development will be referenced, as appropriate (a list of supporting technical assistance materials is provided as an appendix to this document). Of particular note is FTA's guidance on *Procedures and Technical Methods for Transit Project Planning*, originally issued in 1991 and available from FTA via email at planningmailbox@fta.dot.gov. Several chapters of this guidance have recently been updated and are available (as are other technical resources) on [FTA's New Starts website](#); other updated chapters will be posted in the near future.

This guidance is organized around the three broad categories of "criteria" defined by 49 USC 5309(e)(1), which provides the basis for FTA approval to advance candidate investments through the project development process. The first of these criteria – and Part I of the guidance - is the **planning and project development process** itself. 49 USC 5309(e)(1)(A) states that all New Starts projects not exempted from the criteria (see the introduction to Part III below) must be based upon the results of an alternatives analysis and preliminary engineering. Part I describes some of the key elements of a planning-level alternatives analysis (AA) which provides the information that local decisionmakers need to make an informed decision on how to address identified transportation needs in the study area (and which must be satisfied in order to be considered for advancement into project development). In addition to the definition of the alternatives to be analyzed, this section also highlights several other planning activities – definition of planning goals and objectives, evaluation of alternatives, and documentation of analytical methodologies and results - which are all critical components of the alternatives analysis study process.

New Starts Criteria

49USC5309(e)(1) *New Starts Criteria* sets forth three primary requirements for candidate New Starts projects. Specifically, New Starts projects must be:

(A) based on the results of alternatives analysis and preliminary engineering;

(B) justified based on a comprehensive review of its mobility improvements, environmental benefits, cost effectiveness, and operating efficiencies; and

(C) supported by an acceptable degree of local financial commitment, including evidence of stable and dependable financing sources to construct, maintain, and operate the system extension

Part I of this guidance further introduces the planning and project management "triggers" which establish a proposed project's readiness to advance from AA into PE (and, later, PE into final design), and FTA actions to facilitate that advancement. Key products of the local planning and project development process are described, as are FTA's recommendations for their breadth and content. In sum, this guidance establishes that FTA will not consider a request to enter preliminary engineering (or final design) unless the project for which the request is being made was planned (and developed) according to the planning, environmental, and project management principles outlined in this guidance. Accordingly, this document focuses far more on the planning and project development process than has previous FTA guidance on advancing New Starts projects into preliminary engineering and final design.

Lastly, Part I of this guidance identifies several specific elements of the alternatives analysis study that FTA requests the opportunity to review and comment upon. FTA has three primary objectives for becoming more actively involved in the conduct of local corridor studies: 1) to assist local agencies in addressing technical and procedural issues early in the study process, rather than at the end when it may be too late to efficiently solve them; 2) to ensure that FTA requirements for alternatives analysis are met (this includes the selection of a New Starts Baseline Alternative and documentation of planning-level information needed to perform a Before and After Study, should the resulting project eventually receive a Full Funding Grant Agreement for the project); and 3) to gain sufficient understanding of the resulting project to support FTA's decision to advance it into PE and, later, final design. FTA does not "approve" any aspect of the alternatives analysis. However, failure to provide FTA with an adequate opportunity to participate in the alternatives analysis could result in additional study effort necessary to ensure consistency with FTA policies, regulations, and good planning practices, as described in this (and other) FTA guidance. Such additional work could further result in significant delays in the processing of the request to enter into PE.

FTA notes that its Office of Program Management is currently developing more detailed guidance on its expectations for the conduct of preliminary engineering and final design, and on the specific project management and PE milestones which must be met in advance of New Starts projects' progression through the project development process. This information will be included in subsequent versions of this guidance.

Part II of this guidance outlines the statutory **project justification** and **local financial commitment** criteria used by FTA to assess the merits of candidate New Starts projects. Specifically, 49 USC 5309(e)(1)(B) requires that New Starts projects "be justified based on a comprehensive review of (their) mobility improvements, environmental benefits, cost effectiveness, and operating efficiencies." 49 USC 5309(e)(1)(C) further requires that there be adequate local financial support for New Starts projects. FTA's *Final Rule on Major Capital Investment Projects* defines several measures that address these project justification and local financial commitment criteria. Part II of this guidance summarizes these measures (including FTA's measures for cost effectiveness, mobility improvements, and transit supportive land use) and describes how FTA uses them to evaluate New Starts projects at each stage of development.

Part III *Exempt Projects* clarifies TEA-21's New Starts provisions for projects which are exempt from 49 USC 5309(e), particularly as they relate to advancing through planning and project development. 49 USC Section 5309(e)(8)(A) exempts projects which request Section 5309 New Starts funding of less than \$25 million from many of the requirements contained in Part II of this guidance. Please note, however, that any exemption under 5309(e)(8)(A) applies only to the New Starts criteria serving as the basis for FTA's approval to advance to preliminary engineering and final design for such projects. Project sponsors that seek less than \$25 million in New Starts funding must still base their proposed investments on sound planning principles and procedures, and must adequately demonstrate the management and technical capabilities to design, build, and operate the project. The basis for advancing exempt projects through the planning and project development process is described in Part III.

Finally, several appendices are included which provide further information on advancing major capital transit investments through the planning and project development process. Appendix A provides detailed guidance on FTA's procedures for *Selection of the New Starts Baseline Alternative*. The New Starts Baseline Alternative is intended to serve as a "base" condition against which the incremental benefits (and costs) of a proposed major transit capital investment are measured. Appendix B summarizes the process that FTA uses to evaluate a project's justification and financial criteria. This process has evolved since publication of the *Final Rule on Major Capital Investment Projects*; an update to Appendix B is currently under development and will be issued in a subsequent version of this guidance. Finally, Appendix C concludes this document with a bibliography of related guidance and other (mostly world wide web-based) resources to assist local agencies in advancing candidate projects through planning and project development.

¹ Throughout this document, the word "local" is used in describing decisionmakers, agencies, requirements, funding, etc. to contrast with their Federal counterparts. "Local" is not intended to exclude the increasing number of State agencies involved in transit. Most transit agencies are managed by boards of local government officials, so "local" is a convenient modifier that should be interpreted to include State agencies whenever appropriate.